



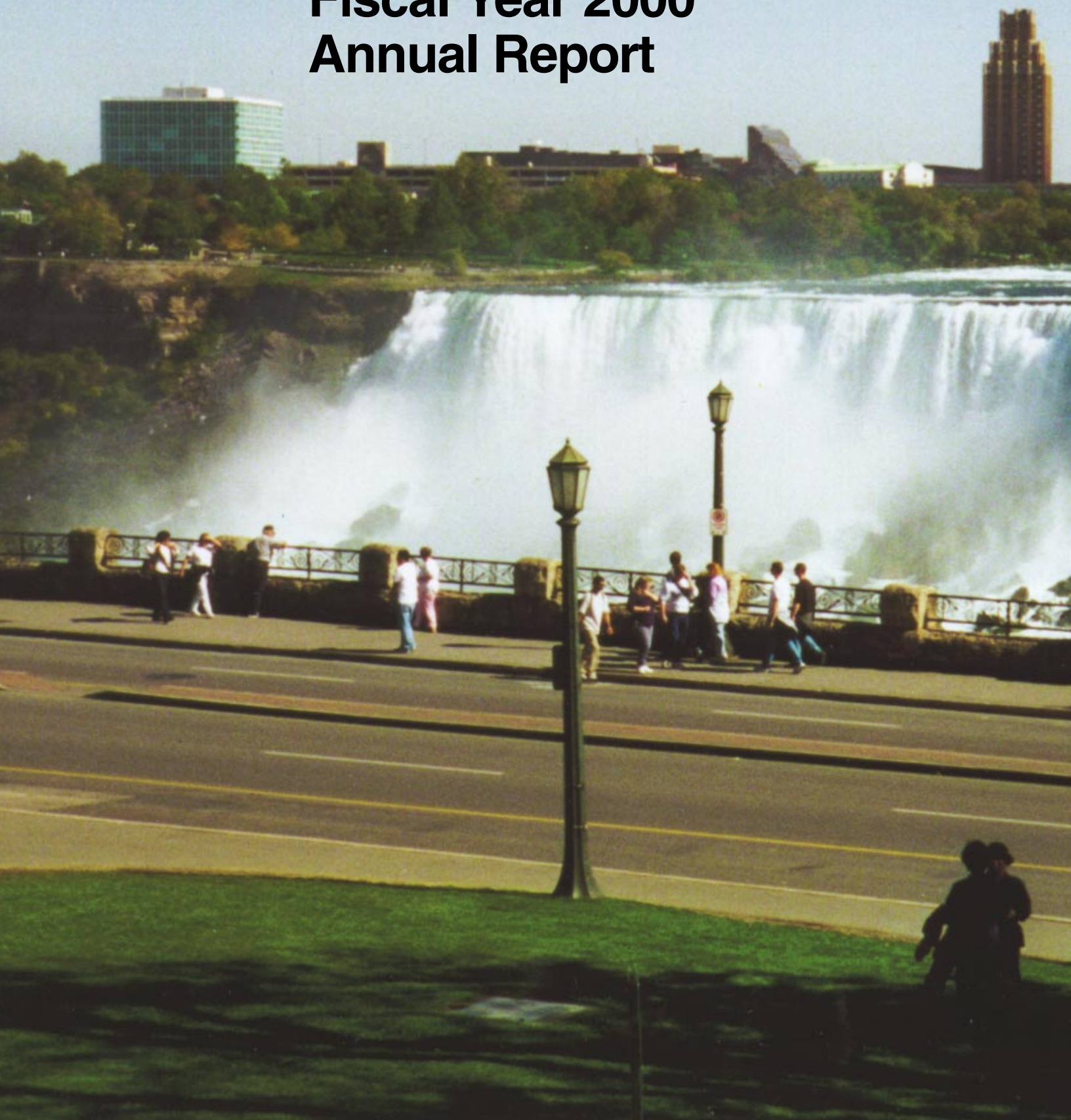
United States
Environmental Protection
Agency

Office Of The
Chief Financial Officer
(2710A)

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March 2001

U.S. Environmental Protection Agency

Fiscal Year 2000 Annual Report



MISSION

The mission of the U.S. Environmental Protection Agency is to protect human health and to safeguard the natural environment—air, water, and land—upon which life depends.

EPA's purpose is to ensure that:

All Americans are protected from significant risks to human health and the environment where they live, learn and work.

National efforts to reduce environmental risk are based on the best available scientific information.

Federal laws protecting human health and the environment are enforced fairly and effectively.

Environmental protection is an integral consideration in U.S. policies concerning natural resources, human health, economic growth, energy, transportation, agriculture, industry, and international trade; and these factors are similarly considered in establishing environmental policy.

All parts of society—communities, individuals, business, state and local governments, tribal governments—have access to accurate information sufficient to effectively participate in managing human health and environmental risks.

Environmental protection contributes to making our communities and ecosystems diverse, sustainable and economically productive.

The United States plays a leadership role in working with other nations to protect the global environment.

STRATEGIC GOALS

1. Clean Air
2. Clean and Safe Water
3. Safe Food
4. Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces, and Ecosystems
5. Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response
6. Reduction of Global and Cross-Border Environmental Risks
7. Expansion of Americans' Right-to-Know About Their Environment
8. Sound Science, Improved Understanding of Environmental Risk, and Greater Innovation to Address Environmental Problems
9. A Credible Deterrent to Pollution and Greater Compliance with the Law
10. Effective Management

* Reflects 1997 Strategic Plan goal language, under which FY 2000 performance was conducted. Goal language has since been updated.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

THE ADMINISTRATOR

March 1, 2001

The President
The White House
Washington, DC 20500

Dear Mr. President:

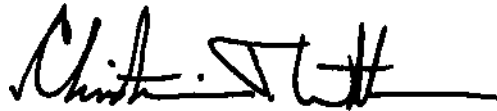
I am pleased to present the Environmental Protection Agency's *Fiscal Year 2000 Annual Report*. Under the authority of the Reports Consolidation Act of 2000, this report consolidates several reports to provide a comprehensive look at EPA's programmatic, managerial, and financial activities over the past fiscal year. This report meets the requirements of the Government Performance and Results Act, the Federal Managers Financial Integrity Act, the Agency portion of the Inspector General Act Amendments, the Government Management Reform Act, and the Chief Financial Officers Act.

Over the past three decades, our nation has realized tremendous progress in our common mission to preserve and protect our environment and the health of all Americans. Today, millions of Americans are breathing cleaner air, drinking safer water, eating food that is free from pesticide residues, and are living in communities that are protected from toxic chemicals. We have seen that environmental protection and economic prosperity can and do go hand-in-hand.

Building upon the progress we have made, we are now ready to enter a new era of environmental policy—an era that requires a new philosophy of public and private stewardship and accountability. In the years ahead, EPA will work to advance our nation's environmental protection goals by enhancing cooperation among all stakeholders. We are committed to forging stronger partnerships among citizens, government, and business that are built on trust, cooperation, and shared goals to achieve measurable results. We will work closely with our federal, state, tribal, and community partners to profit from their expertise and unique experience to provide the flexibility needed to develop innovative and workable solutions to environmental problems. To meet and exceed our shared goals, we will place greater emphasis on market and incentive-based solutions such as emissions trading. We will base our policies and decisions on sound science and meaningful peer review. Finally, we will work to promote compliance with environmental standards and to fulfill our responsibility to the American people for enforcing environmental laws and regulations.

The information provided in this report will help us assess the progress we have made thus far, determine our priorities and goals for the coming years, and ensure sound planning and budgeting decisions to address the challenges that lie ahead. We look forward to working with all Americans—citizens, government, business, the scientific community—in a commitment to achieving a safe and healthy environment for ourselves, our children, and the generations to come.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Christine Todd Whitman". The signature is stylized with a large initial "C" and a long horizontal stroke at the end.

Christine Todd Whitman

Enclosure

EPA'S FY 2000 ANNUAL REPORT

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PREFACE

The U.S. Environmental Protection Agency (EPA) has prepared the following report to present a comprehensive picture of the Agency's performance during fiscal year (FY) 2000. Unlike EPA's *Fiscal Year 1999 Annual Performance Report*, which was designed specifically to meet the requirements of the Government Performance and Results Act (GPRA), the *Fiscal Year 2000 Annual Report* addresses reporting requirements under GPRA as well as under several other management statutes—the Federal Managers Financial Integrity Act, the Inspector General Act Amendments, the Government Management Reform Act, and the Chief Financial Officers Act—as allowed by the Reports Consolidation Act of 2000. Therefore, this consolidated annual report not only represents a step toward the government-wide goal of streamlining management reporting but also allows the Agency to present to Congress and the American public a fuller, more comprehensive picture of its FY 2000 progress and accomplishments, both programmatic and financial.

Taken as a whole, the sections that follow summarize the progress EPA and its federal, state, tribal, and local government partners have made over the past year toward ensuring a clean, healthy environment for all Americans and explain how the Agency has used taxpayers' dollars effectively and responsibly to do so. Section I provides a general overview of EPA's performance during FY 2000, in terms of both the Agency's environmental and human health protection initiatives and its management and financial activities. This "Overview and Analysis" highlights selected accomplishments, summarizes the insights EPA managers have gained from their review of FY 2000 performance, and discusses how the lessons the Agency has learned from its experience in FY 2000 might be applied to improve performance in FY 2001 and beyond.

Section II, "GPRA Performance Results," reviews the results EPA and its partners have achieved under the Agency's FY 2000 annual performance goals. It also provides some additional FY 1999 performance data to supplement the information contained in the *Fiscal Year 1999 Annual Performance Report*. This section describes EPA's accomplishments and successes, and it explores those areas in which the Agency was unable to achieve the goals it had set for the year. EPA will use these performance measurement results to ensure that its environmental protection programs work as intended and to make adjustments and corrections to improve future performance.

The third and fourth sections of the report, "Management Accomplishments and Challenges" and "FY 2000 Annual Financial Statements," focus on how EPA manages its programs and activities and applies its resources to achieve environmental results. Section III discusses management integrity issues and management challenges and describes the results of the Agency's audit follow-up activities. Finally, Section IV includes EPA's FY 2000 annual financial statements, along with a message and analysis from EPA's Deputy Chief Financial Officer, supplemental information, and the Office of Inspector General Report.